Statement of Peggy M. Raddatz

My name is Peggy M. Raddatz and I am appearing here today to testify on behalf of my brother, Otto S. Raddatz.

My brother was a business owner of a restaurant that he ran with his wife, Marie. He purchased a health insurance policy from Fortis Insurance Company in August of 2003. On the application he indicated he had kidney stones and smoked. He also listed all physicians who treated him. Otto's health application with Fortis was accepted and his coverage began in August of 2003.

A year later my brother found himself inexplicably losing weight. His wife, Marie Raddatz, urged him to see a doctor. In September of 2004 my 59 year old brother was diagnosed with Stage IV NonHodgkins Lymphoma. The very next day he began an intensive course of chemotherapy treatments.

Due to the aggressive type of cancer Otto had, being mantel zone lymphoma, he was given six more rounds of chemotherapy by January of 2005.

Otto was referred to a specialist in stem cell transplantation and for high dose chemotherapy.

Otto began more chemotherapy for purposes of preparing him for a stem cell transplant. In the midst of his chemo treatments, Otto received a phone call and letter from Fortis Insurance Company stating his insurance was canceled. It was rescinded all the way back to the effective date of August 7, 2004.

This meant none of his cancer treatments would be covered. Most importantly, he would not be able to receive the stem cell transplant need to save his life. My brother only had a very small window of time in which to have the stem cell transplant. He needed to be scheduled within the next 3 to 4 weeks.

My brother was told he was canceled during what they called a "routine review" during which they claimed to discover a "material failure to disclose". Apparently in 2000 his doctor had done a CT scan which showed an aneurysm and gall stones. My brother was never told of either one of these conditions nor was he ever treated for them and he never reported any symptoms for them either.

After months of preparation, the stem cell transplant could not be scheduled. My brother's hope for being a cancer survivor were dashed. His prognosis was only a matter of months without the procedure.

When I called the hospital to see if I could schedule the stem cell transplant for him I was callously told "unless your brother brings in cash, he is not going to get the procedure without insurance."

My brother was accused by Fortis Insurance Company of falsely stating his health insurance history, despite the fact that he had no knowledge of ever having any gall stones or aneurysms.

Luckily, I am an attorney and was able to aggressively become involved in solving this life threatening situation. I contacted the Illinois Attorney General's office and received immediate and daily assistance from Dr. Babs H. Waldman, M. D., the medical Director of their Health Bureau.

During their investigation, they located the doctor who ordered the CT scan. He had no recollection of disclosing the information to my brother or treating him for it.

After two appeals by the Illinois Attorney General's Office, Fortis Insurance Company overturned their original decision to rescind my brother's coverage and he was reinstated without any lapse.

Without the help of the office of the Illinois Attorney General, this would not have been possible.

What the Fortis Insurance Company did was unethical. To deny a dying person necessary medical treatment based upon medical conditions a patient has never had knowledge of, never complained about or never been treated for is cruel.

It is our hope that this information will benefit other patients who are in need of life saving medical treatments and who do not have the knowledge or means necessary to fight against the health insurance companies. It is further our desire to expose these practices of Fortis Insurance Company so that others do not suffer as their victims.

Respectfully submitted,

Peggy M. Raddatz

Peggy M. Raddatz